

All this is going to do is drive the cost of VoIP up, as the cost will be passed on to the consumer.

Anyone who is doing terrorist or major illegal activity will use PGP or many other strong encrypted VoIP programs.

I can rattle off five such programs with 256 round Blowfish encryption.
(Uncrackable - even for the NSA)

If the call is terminated to the PSTN, it can be monitored with CALEA under the current system.

No one country can pass internet laws that can't be bypassed by going to an offshore provider.

What would stop someone from skirting the issue with a VoIP provider outside of the USA ?

It is possible to take a Vonage Voip box and plug it into a broadband connection ANYWHERE IN THE WORLD and make and receive phone calls from any USA area code.

This is a complete waste of money, as it will only be useful to catch ignorant petty criminals.